

REMARKS/ARGUMENTS

The 35 USC 112, first paragraph rejection

In the Official Action, the Examiner rejects claims 1-12, 14-25 and 27 under 35 USC 112, first paragraph, as allegedly failing to comply with the enablement requirement.

However, based upon the Examiner's comments, it appears that the Examiner is really asserting that the claims are allegedly unclear, as opposed to the specification failing to comply with the enablement requirement.

In response, the Applicant has deleted the language "good or service potentially or actually required" from the claims in order to address the first issue made by the Examiner according to this rejection.

However, the Examiner also objects to the language "good or service may be purchased". Unfortunately, it is not particularly clear why the Examiner objects to that language or why the Examiner asserts that it is not clear "how one of ordinary skill in the art is enabled to make and/or use the invention" to quote the language of the Examiner in the Official Action.

It is submitted that persons skilled in the art know that a good and/or a service may be purchased. Indeed, supermarkets are full of goods which may be purchased and banks are purveyors of services which may be purchased. It is believed that persons skilled in the art know this to be the case and therefore would have no trouble whatsoever understanding the terminology objected to by the Examiner.

The Examiner is respectfully requested to reconsider this rejection and to withdraw it.

The 35 USC 112, second paragraph rejection

The Examiner rejects a number of claims in paragraph 4 of the Official Action under 35 USC 112, second paragraph, as allegedly being unclear.

With respect to the “the event” terminology to which the Examiner points in claims 1, 14, and 27, it is submitted that the language originally used in the claim is not unclear to persons skilled in the art. For example, it is common, in everyday parlance, to say something like “in **the** event it rains today I will ride the bus as opposed to walking home”. Nevertheless, in the spirit of cooperation, the Applicant has chosen to use alternate terminology which is not believed to change the scope of the claim in any way, namely, the phrase “in the event” has been replaced with “upon an occurrence” to avoid using the word “the”. Please see the amendments made to claims 1, 14, and 27 above.

Towards the bottom of page 3 of the Official Action, the Examiner objects, with respect to claims 2 and 15, to the “good or service may be purchased” terminology. The Examiner asserts that it is unclear whether or not the goods or services are actually purchased.

Has the Examiner ever purchased an automobile or a house or something else of value? If so, then the Examiner knows that it is common practice, when purchasing something of that nature, to go into a negotiation stage first which might be referred to as a stage when the item “may be purchased”. If the purchaser, the Examiner, is happy with the deal which he/she gets from a seller, then the purchase may well be consummated. The same sort of thing can happen even if there is no negotiation. Consider, for example, when someone goes to the supermarket. They put goods in a basket. Those goods “may be purchased” if the person thereafter goes to a cashier and pays for goods. But while the goods are in their basket, they haven’t yet been

purchased, but that does not exclude the possibility that they will not be purchased. However, in reviewing the claim, the Examiner takes a different position and assumes that "the goods and services are not purchased." That is an incorrect assumption. The goods or services may well be purchased and the Applicant has striven to make this matter clear by the inclusion of a new dependent claim 28. In any event, it is submitted that the terminology used in claims 2 and 15 is clear as written and does not require amendment.

Claims 3 and 16 raise similar issues with respect to "any penalty which may be incurred". The Examiner is correct that the Applicant has not positively recited whether or not a penalty has incurred. Rather, the Applicant positively recites whether "said terms include in the penalty". It is submitted that one can certainly determine what the provisions of a contract are whether or not those provisions actually ever come into play. Whether or not a penalty comes into play, in terms of claim 3 and 16, is irrelevant to those claims. The Examiner is respectfully requested to withdraw the rejection.

With respect to the Examiner's comments regarding claims 6, 9, 10, 19, 21, 22, and 23, the Examiner will note that those claims have been amended to address the issues raised by the Examiner.

The 35 USC 101 rejection

The Examiner rejects claims 14-25 under 35 USC 101 as allegedly being directed to non-statutory subject matter. This grounds for rejection is respectfully traversed.

The Examiner attempts to apply the useful, concrete, and tangible result test, but does so incorrectly. That is to say, the Examiner does not apply the three-part test correctly.

The Examiner starts off correctly. The Examiner agrees that the useful result part of the test is met. Please see the second whole paragraph of page 12 of the Official Action.

However, when the Examiner looks at the tangible result part of the test, the Examiner errs by confusing the tangible result part of the test with physical transformation. Note that the Examiner asserts that the invention has "no substantial application" because it "does not result in a physical transformation or reduction of the goods to a different state or thing..."

What the Examiner basically does here is replace the 3-part useful, concrete, and tangible result test with a physical transformation test. That flies in the face of the Supreme Court's teaching in the State Street case as well as USPTO Board of Appeals decisions in *In Re Lundgren*.

Turning now to the third part of the test, the Examiner agrees that the concrete result test is met. Please see the comments at the very bottom of page 13 of the Official Action.

The Examiner basically takes the viewpoint that Applicants seeking protection of an abstract comment. See the passage at the bottom of page 14 of the Official Action. However, the Examiner does not indicate with any clarity why Applicant's claims are any more abstract (or less tangible) than the claims allowed by the Board of Appeals in *In Re Lundgren*. Enclosed is a copy of the resulting Lundgren patent and if the Examiner wants to check the history of that application on-line, he will note that Lundgren went to the Board of Appeals twice, and the USPTO was overruled twice with respect to whether or not Lundgren's claims are statutory.

It is not seen how the Examiner has in any way made a case that Applicant's claims 14-25 are any less statutory than are Lundgren's. Rather, it

seems that the Examiner wants to re-litigate basically the same issues which were already litigated in In Re Lundgren at the Board of Appeals level.

The bottom line is that the Examiner asserts that the invention is "abstract", without telling the Applicant, with any degree of clarity, why that is allegedly the case. It is as if the Examiner has some secret litmus paper which he uses to determine whether or not the claims are statutory, and the Applicant is supposed to accept the Examiner's litmus paper test without requiring a rational explanation.

It is believed that the Applicant is entitled to a rational explanation of the rejection beyond repeating materials which can be found in the MPEP. In particular, in view of In Re Lundgren, why are claims 14-25 currently pending in this application being rejected under 35 USC 101?

It is believed, upon due reconsideration of this rejection, the Examiner will agree that it should be withdrawn.

Reconsideration is respectfully requested.

The Commissioner is authorized to charge any additional fees which may be required or credit overpayment to deposit account no. 08-2025. In particular, if this response is not timely filed, then the Commissioner is authorized to treat this response as including a petition to extend the time period pursuant to 37 CFR 1.136 (a) requesting an extension of time of the number of months necessary to make this response timely filed and the petition fee due in connection therewith may be charged to deposit account no. 08-2025.

Response to Official Action
Dated 23 March 2007
Re: USSN 10/698,850
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I hereby certify that this correspondence is being deposited with the United States Post Office with sufficient postage as first class mail in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on

May 7, 2007
(Date of Transmission)

Mary Ngo

(Name of Person Transmitting)

[Signature]
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May 7, 2007
(Date)

Respectfully submitted,

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Enclosure: Copy of In Re Lundgren case